GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:339
ANSWERED ON:25.02.2016
Losses Incurred by Air India
Azad Shri Kirti (JHA);Diwakar Shri Rajesh Kumar;Girri Shri Maheish;Kodikunnil Shri Suresh;Meghwal Shri Arjun Ram ;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India is incurring huge losses on continuous basis and if so, the details thereof for the last three years and the current year, yearwise
along with the reasons therefor;

(b) the steps taken or being taken by the Government to reduce the losses including the budgetary support being provided by the Government this year;

(c) whether the Government has any proposal for restructuring of the Air India and if so, the details thereof;

(d) whether the Government proposes to privatise Air India, if so, the details thereof; and

(e) whether the Government proposes to introduce Dreamliner flights for domestic services especially to long distances route like Delhi-Kochi-
Thiruvanathapuram sector as part of reducing the operational cost, if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a): Yes, Madam. Air India (AI) has been incurring losses over the past few years and the details of the losses for the past 3 years and the current year are given below:

Financial Year Net Loss/ (Rs. Crores)
2012-13 5490.16
2013-14 6279.60;
2014-15 5859.91;
2015-16 (BE) 3529.80;

AI has been facing losses for the past many years on account of a
multitude of factors which include:;

i. Adverse impact of exchange rate variation due to weakening of the
Indian Rupee

ii. High interest burden

iii. Increase in competition especially from low cost carriers

iv. High Debt Equity Ratio
;
(b): In view of the losses suffered by AI upto 2010-11 and its mounting debt burden, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 12.4.2012, approved a Turnaround Plan (TAP) / Financial Restructuring Plan (FRP) for operational and financial
turnaround of AI. The TAP/FRP provides equity infusion of Rs.30231 crores upto 2021 subject to achievement of certain milestones as laid down in the TAP/FRP. Government has infused equity of Rs.3300 crores in AI, in the current financial year.

(c) and (d): No, Madam. ;

(e): No, Madam. Air India has no immediate plans to introduce Dreamliner services on Delhi-Kochi-Thiruvanathapuram sector.